

MANAGEMENT LETTER

To the Chair, Members and Management of the
Yolo County Local Agency Formation Commission
Woodland, California

In planning and performing our audit of the financial statements of the governmental activities and major fund of the Yolo County Local Agency Formation Commission (the LAFCO) as of and for the years ended June 30, 2021, 2020 and 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the LAFCO's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the LAFCO's internal control. Accordingly, we do not express an opinion on the effectiveness of the LAFCO's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses could exist that have not been identified.

We noted the following items that are presented for your consideration:

Formalizing Policies

We recommend formally documenting in the LAFCO Administrative Policies and Procedures employee pension, OPEB, vacation, sick leave and deferred compensation benefits earned by LAFCO employees by reference to the appropriate County of Yolo (County) MOU applicable to each employee position. If not all of the benefits defined in the applicable MOU are available to LAFCO staff or if any of the benefits available to LAFCO staff are different than as defined in a County MOU, that fact should be documented.

We also recommend the LAFCO consider formalizing the cost of services and assets provided by the County under current practice in an administrative agreement. An administrative agreement could document current practices related to the payment or nonpayment by the LAFCO for office space, furniture and computer equipment as well as services provided, such as payroll and benefits administration, maintenance of the County computer system and other services benefitting the LAFCO for which the County normally charges internal users an overhead charge.

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This communication is intended solely for the information and use of the Commissioners, management, and member agencies and is not intended to be and should not be used by anyone other than these specified parties.

Richardson & Company, LLP

January 19, 2022